

Committee on the Underserved Report

Model Cities and Model States

Committee members are engaged and communicating with various cities and states across the country about being a “model” in terms of innovative programs and services centered around the issue of financial literacy. We have found that the cities and states have been receptive to this project of hope and heartfelt initiative in financial education. We will provide a more robust report at the next council meeting.

Establishment of SBA Office of Entrepreneurial Education

The collaboration and active support of the President's Advisory Council on Financial Literacy in the creation of an "Office of Entrepreneurial Education" in the SBA has been approved. The members of the Committee on the Underserved are currently working to help promote the establishment of SBA's expanded structure and mission, as part of its national initiatives to advance financial literacy in America's underserved businesses, communities and youth. A press announcement with the statements of support from the President's Advisory Council is planned to be released in July or August.

Recommendation of "Best Practices" for and with Respect to The Future of Responsible Sub-prime Mortgage Lending

On June 18th, 2008, The President's Advisory Council on Financial Literacy did endorse and support our Committee's baseline policy recommendation that “financial literacy should be at the very foundation of the future of responsible sub-prime lending.” The Committee-approved report, now public information, has already proven very useful in introducing a substantive and robust policy discussion as a result of the May 28th work meeting, inside the government and in the mortgage lending market. We have received endorsements and statements of support for the proposal from Wells Fargo, Banco Popular, U.S. Office of Thrift Supervision, U.S. Office of the Comptroller of the Currency, and the Housing Policy Council of the Financial Services Roundtable. The Committee will give the council regular updates on additional future endorsements from market participants.

Moving forward with these positive outcomes, Council Chairman Charles Schwab and Vice-Chairman John Hope Bryant believe that what is needed next with respect to the future of responsible sub-prime lending is a more broad-based “statement of guiding principles.” Chairman Schwab and Vice Chairman Bryant have been actively working together in this regard. A set of “guiding principles” will be considered by the full Council, and we will provide update with the hopes that we gain active support from within the full Council.

Resource material: A downloadable and printable version of the post-May 28th, 2008, Committee-approved report on "the future of responsible sub-prime lending," is available on the U.S. Treasury Department website at <http://www.treasury.gov/offices/domestic-finance/financial-institution/fin-education/council/3rd-meeting-2008/SubprimeBackground06182008%20meeting.pdf>.

Community Financial Access Pilot

The Community Financial Access Pilot is making significant progress in the eight designated communities to begin opening accounts for low- and moderate-income “unbanked” and “under-banked” individuals by September. Along with opening accounts, the CFAP will provide access to financial education and financial counseling through partnerships with established service providers. Additionally, the CFAP has identified a number of national partners that support multiple CFAP sites and will assist in sharing information about the CFAP to a national audience. These partners will be announced on the CFAP webpage upgrade this autumn; additional interested organizations should contact the CFAP Director. To date, a link has been added to the Treasury Department website: www.treas.gov/cfap, which can take interested individuals directly to information about the CFAP. Materials on the page provide information and guidance to those interested in implementing financial access initiatives in their communities, and the CFAP team will continue to add useful materials to the page.

Financial Literacy Volunteer Initiative

The Outreach Committee and the Committee on the Underserved has given its recommendation and support to rename this initiative, "Financial Literacy Corps," and to rebrand it as a Council initiative, which has been approved by the Council. We will work closely with the Outreach Committee to plan an awareness announcement through the media.

Money Math (Middle School Initiatives) and National Financial Literacy Challenge (High School)

The Committee on the Underserved is working with the Youth Committee to help promote the *Money Math* to approximately 10,000 public school superintendents around the country. Council Chairman Schwab and Vice Chairman Bryant have jointly signed a letter, introducing the *Money Math: Lessons for Life 2* curriculum having advised the Youth Committee and the goal to improve the personal financial literacy of middle school students through the integration of personal finance topics into the core subject of mathematics. More information about *Money Math* can be found at <http://www.treasury.gov/offices/domestic-finance/financial-institution/fin-education/council/lessonsforlife.shtml>.

Another initiative of the Youth Committee, the National Financial Literacy Challenge, is promoted in the same letter as an invitation to enroll high school students and build excitement among students and teachers and widen the base of support for financial education in U.S. high schools. To find out more information about the *Challenge* please visit www.flc.treas.gov.